"A Study on Change in Customers' Perception towards Health Insurance Post COVID in Reference to Telangana State"

Synopsis of the Research Proposal

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Abstract

Insurance has long been considered to be the most crucial tool in financial planning. But now that the global pandemic has subsided, everyone is much more aware of how important health insurance is. Due to the growing rate of inflation in medical costs, there is an increasing need for health insurance in the present. Understanding customer behaviour toward health insurance both before and following COVID-19 is the goal of this study. The study will be based on first-hand information gathered from Telangana respondents. A self-administered questionnaire with separate parts for demographic and subjective items will be created. The Likert scale will be used in the subjective section. Random sampling technique will be used to perform with a sample size of 750 respondents will be taken for the research. The prime objective of this study is to explore the factors which affect the consumer perception towards health insurance during and following pandemic. To fulfill the objective, factor analysis and Chi-square test will be performed. The research will take into account the variables that affect how customers perceive health insurance, such as compatibility, awareness, transparency, tax benefits, accuracy clarity, and availability of information, and the number of network hospitals. The study also enables health insurers in new approaches for educating the public about health care plans and their advantages.

Keywords: Consumer perception, COVID -19, Pandemic, Health Insurance

1. Introduction

Economic success depends heavily on population health because healthy people are more productive and serve as a valuable resource for the country. Even though India has the Fifth-largest economy in the world and is emerging as a significant developing country, the health sector still has a lot of deficiencies. In India, out-of-pocket expenses make up the majority of the funding for healthcare expenses. Low income households will be forced to sell their properties as a result of a sudden or unexpected hospitalisation, putting them at risk of threats and economic shocks. Health insurance has emerged as a financial measure to protect households to manage health risks.

High expectations are placed on the health services as a result of the increased need for advanced medical care that is being caused by a fast growing population, rising literacy rates, and technological innovation. Due to this, demand for health care has changed.

Health insurance is a type of insurance coverage that covers the insured person's hospitalization-related medical and surgical costs. Health insurance would either pay the healthcare provider directly or compensate the insured for costs related to illness or damage. In order to cover medical situations that we classify as accidental or natural, the insured and the insurance company enter into a health insurance contract. The fundamental idea behind health insurance is that individuals make one-time contributions to an insurance fund that is then used to pay for medical services.

The degree to which a customer is familiar with a specific product or service is referred to as awareness. There are three different types of awareness at play in the health insurance system: corporate, regulatory, and policy awareness. A customer who has a thorough understanding of the organization's services and operating methods could be easily satisfied.

In the insurance industry, and particularly in the health insurance industry, customer

happiness is vital. It serves as a measure for evaluating customer loyalty and aids in determining the demands and preferences of the customer. The degree of difference between an individual's perceived performance and expected performance is what is known as satisfaction.

Customers will become unsatisfied if the performance falls short of their expectations, and satisfied if the performance lives up to their expectations. Customers in the service industries are constantly demanding, and they often have different demands and wishes. Customer satisfaction is vital in the health insurance industry for the reasons listed below.

It is regarded as a crucial predictor of customers' intentions to make repeat purchases and their loyalty.

It is an important area of distinction.

The customer's lifetime value increases.

It aids in preventing negative attention.

Since several participants are involved in the health insurance system, any form of neglect could result in unhappiness. Facilities provided, claim settlement procedures, disease coverage, expenses covered, cashless facility, claim amount received, support from insurance agents or authorities, and claim submission procedures are only a few of the variables that affect customer satisfaction.

Customers of health insurance deal with a variety of issues. They are mostly pertain to policy documents, issues that arise when using the service, and issues that arise when settling claims. The following are the issues that health insurance policyholders deal with.

Premiums that are too high.

poor client service

hidden charges

absence of a cashless system.

High deductions during the claim settlement process.

lack of hospitals in a network.

Health insurance companies and third party administrators have a poor collaboration

History of Health Insurance

The health insurance sector in India is only a few decades old. However, it has a deep-rooted history and the traces found in writings of Manu (Manusmithi), Yagnavalkya (Dharmashastra), and Kautilya (Arthasastra). Its mentioned how the pooling of resources helpful during calamities like floods, fire, and epidemics. The health insurance concept was first suggested in the year 1694 by Hugh the Elder Chamberlen from Peter Chamberlen family. As a result, "Accident Assurance" began to be available in the 19th Century. However, in the middle to late 20th-century traditional disability insurance evolved into new health insurance programs. After that, with several amendments and innovations, health insurance came into existence. For the last 50 years, India has also achieved a lot in terms of health insurance. Take a look back at the health insurance evolution in India.

After independence, primary health care given importance and seen considerable improvement. Health insurance history in India began with an Employee's state insurance scheme (ESIS) in 1948. It introduced as an umbrella of social security for blue-collar workers of the organized sector. It provides health care services through a network of dispensaries and hospitals that impaneled with ESIS. The coverage under ESIS includes OPD and ID expenses and cash benefits to compensate for the loss of pay and other medical contingencies. This scheme is still prevailing and financed mainly through the contribution of employers and employees. In 1954, a program for central government health schemes (CGHS), was also introduced. It was a contributory health scheme to provide comprehensive healthcare services, especially to the central government employees and their families. The government of India and central government employees also contribute a nominal amount per month based on their pay scale, which is still going well.

Health Insurance Perspective in India

Left with no stone unturned, the health insurance sector gaining popularity in India. At present, health insurance is one of the emerging sectors in India. Different stakeholders of this ecosystem, such as private health insurance companies, IRDAI, and other entities, are thriving each day to come up with the best health insurance policy for every citizen.

Indians become the most active and engaged customers when it comes to health insurance. After pandemic, buying cashless health insurance online is a new normal. This increasing attention and awareness are due to rising medical inflation, advancements in medical sciences, pandemic, and critical illnesses. The availability of health insurance covers for senior citizens, maternity, and children, also popularizing medical insurance. Thus, the Indian Health insurance market has come up with lucrative growth avenues and opportunities for companies and customers.

Types of Health Insurance in India

- Individual Health Insurance-Individual
- Family Health Insurance-Entire Family- Self, Spouse, Children, and Parents
- Critical Illness Insurance-Used for funding expensive treatments
- Senior Citizen Health Insurance-Citizens of age 65 and above
- Top Up Health Insurance-This insurance plan is beneficial when the sum insured of the existing policy gets exhausted.
- Hospital Daily Cash-Daily hospital expenses
- Personal Accident Insurance-It can be used in case of any loss or damage to the owner or driver.
- Mediclaim-In-patient expenses
- Group Health Insurance-For a group of employees

- Disease-Specific (M-Care, Corona Kavach, etc.)-Suitable for those who are suffering from pandemic-manifested conditions or prone to one.
- ULIPs-The dual benefit of insurance and investment

Health insurance Post Covid

The severity of the pandemic has changed user perceptions of insurance as more people feel the need for financial protection to cover unexpected medical expenses.A comprehensive health insurance plan became necessary to ensure the safety and well-being of self and loved ones in times of distress.

The Covid-19 pandemic has significantly disrupted operations across industries and impacted the overall economy. The Indian insurance sector is no exception. With the growing demand for new health insurance policies and rising claims, insurers have had to evolve their overnight working practices to keep pace with continuously changing dynamic market demands.

As more people felt the need to have a financial safety net to cover unforeseen medical expenses, the severity of the pandemic affected how users perceived insurance. To protect oneself and loved ones in difficult circumstances, a comprehensive health insurance coverage is essential.

Insurance companies adapt their services in response to the growing demand for health insurance and use technology to streamline the entire process of issuing and resolving claims for these policies.

However, the dark truth is that only the upper and middle classes of India can afford to buy health insurance. To the lower income-earners and poverty-stricken class who spend their life living day to day and accumulating savings, health insurance remains a struggle or a myth. Health insurance providers and the government have tried to fill in this gap by coming up with standard and affordable health insurance policies such as the:

- Arogya Sanjeevani Policy
- Jan Arogya Bima
- Saral Suraksha Bima

- Aam Aadmi Bima Yojana
- Universal Health Insurance
- Corona Kavach Policy
- Corona Rakshak Policy

Health insurance remains an emerging sector in India. There are various gaps yet to be fulfilled and more evolutions yet to come. As health insurance becomes more global and accessible, though, and medical science sees rapid advancement, the potential for immense growth is high.

The Indian health insurance industry has undergone the following notable changes in recent years.

Telemedicine Coverage

This refers to the Online and offline consultation which are taken through calls, messages and such many digital means.Under a standard health insurance plan, telemedicine was typically not covered.IRDAI has advised insurers to include telemedicine costs in health insurance plans due to a surge in online consultations.

Plans for specific coronavirus health insurance were made possible by the COVID-19 pandemic. Two such plans, Corona Rakshak and Corona Kavach, were introduced by health insurers in India at the IRDA's recommendation. These insurance cover any medical costs incurred as a result of contracting COVID-19. Compared to standard health insurance plans, both the Corona Rakshak and Corona Kavach policies pay for the cost of consumables like personal protective equipment (PPE) kits, masks, gloves, etc. used during coronavirus treatment. In fact, the Corona Kavach plan also covers the medical costs carried on by comorbidities.

2. Literature Review

S. Nagarajan et. al(2022), observed that timely and high-quality advertising are elements affecting the service. Additionally, they list certainty, dependability, empathy, responsiveness, tangible, competence, and corporate image as service aspects offered to clients. The Life Insurance Corporation of India, which has numerous locations and a positive reputation, aids in lifesaving. It offers a higher standard of living and elevated social standing.

Umbarkar,2022, It was found that many people lack basic knowledge of health insurance coverage and other connected topics. The effectiveness and performance of the companies are still satisfactory based on comments of agents' and corporations' . According to the author, the importance of health insurance must be emphasised, and their role in society must also be taken into account.

Bhandari, Rahul Mangilal,2021,The investigation revealed that customers are less or moderately satisfied with the remaining marketing mix tools, but are more/moderately satisfied with the 3 P's—Price, People, and Process of the service. Researchers found that while customers were generally delighted with the premium discounts they received, they were less pleased with the insurance policies' hidden expenses.

Jayanthy, K C,2021,The purpose of the study was to determine the factors that affected policyholders' decisions to purchase and renew their health insurance as well as to assess the efficiency with which health insurance providers processed claims and settlements. According to the survey, the primary factors preventing the general public from acquiring health insurance policies are the high premiums paid, the

absence of refunds, the lack of desire, the lengthy waiting periods for healthcare coverage, and the lack of accessible funds.

Ahire, Neha Kamlesh,2021,The research attempted to identify the factors influencing the acquisition of health insurance in order to assess whether present policies are satisfying the needs of policyholders. The researcher found that awareness was influenced by education in both insured and uninsured respondents, and thus suggested that product design should take sociodemographic and individual factors into account.

Chaithanya U,2021,The Rashtriya Swasthaya Bima Yojna (RSBY) was the subject of a researcher study that sought to evaluate the program's efficacy as well as the opinions and levels of satisfaction of its beneficiaries. RSBY beneficiaries believe that government hospitals are the greatest choice because there aren't many private hospitals with empanelled status and because they're less expensive than private ones.

ANUSHREE S PANIKKASSERY,2021,to assess the severity and depth of the factors that contribute to out-of-pocket costs by measuring the discrepancy in financial protection from medical costs among poor households with insurance. Researcher found that Medical expenditures and a low percentage of insurance are the main supply-side factors that influence the difference in the distribution of CHE and OOP shares.

Leelavathi, N,2021,His research attempted to compare the performance and quality of service offered by public and private health insurance providers as well as examine the various products and policies offered by health insurance companies. It concluded that the general public's health demands and the financial costs of not having insurance in an emergency should be made clear.

Nayak Bishwajit,2021,To lower the risk of moral hazard and healthcare frauds, broaden access to health insurance, and improve coverage overall, a dynamic risk

evaluation system with machine learning-driven underwriting procedures is required to understand the factors that influence the potential of health insurance businesses to gain a competitive edge, as well as how these factors combine and lead to competitive advantage.

Soumak Ganguly,2021,The study's goals included determining factors that affect consumers' decisions to choose a certain health insurance provider and level of awareness about health insurance as well as the sources of such knowledge. According to the author, friends, family, and coworkers are the main sources of information on health insurance. The majority of respondents were satisfied with their health insurance, and the main reason they chose it was to cover the risk of disease.

Andrea et al. (2020), making quick decisions under pressure and in a hurry during pandemics was essential for containing the virus's spread and battling it.
Since there was frequently a conflict between social, political, media, and economic standpoints over how countries should react during such times, they recommended that positive pressure be put on medical facilities to enable easier and effective decision-making. Health systems that were prepared for pandemic breaks typically adopted strategies from prior pandemic reactions and were therefore more at testing, isolating, and treating infected individuals. A lot of effort was put into educating the people about how the virus operates and what it will take to stop it.

Rana Rohit Singh and Abhishek Singh,2020,Understanding the structure of the health insurance market and identifying key areas for improvement were the study's objectives. The researcher discovered that concerns about the environment, health, and the unpredictable nature of pandemics are partly to blame for the increase in demand for health insurance.

Darius Erlangga,2019, evaluated policy holders' use of health services, financial stability, and changes in health status. Researcher found that public health insurance must be implemented in a way that considers the disparities in the outcomes

of reforms in order to achieve universal health care

3. Present Study

3.1 Statement of the problem

Based on this literature review there are various studies conducted on perception towards health insurance. There is a research gap to understand the changing behaviors of an insurer in taking health insurance post covid. Most of the studies are done in understanding the satisfaction level of the insurers in terms of the cost incurred by them in the policy they choose. Research on reasons why people avoid buying health insurance has been limited. So, it is understood that there is a huge scope for research in the change in perception of people towards health insurance pre and post COVID.

The current study aims to investigate the factors influencing investors' behaviour both before and after the pandemic, as well as how their attitudes toward health insurance have evolved over time. Additionally, it seeks to measure how satisfied the sample respondents are with the changes. Only Telangana State insurers will be the subject of this investigation, and users in the State's GHMC limits will provide the information.

3.2 Significance of the study

An investigation on change in customers perception towards health insurance post covid in Telangana State is a useful topic for society to learn about the various changes in health insurance products and their effects before and after COVID . The findings of this study will aid health insurance businesses in determining their

product and service strategy. The study will aid the health insurance businesses to identify which category of customers go for health insurance.

3.3 Objectives of the study

- To study the awareness level of customers regarding health insurance Post COVID-19.
- To study the shift in customers perception towards health insurance since COVID-19
- To identify the factors that influence customers in the selection of health insurance during pandemic
- To identify the factors that influence customers for the selection of a Particular health insurance
- To measure how satisfied customers are with various features of health insurance

3.4 Hypotheses

H1: There is a significant relationship between income and preference in buying health insurance.

H1: There is a significant shift in people's attitudes toward health insurance Post COVID-19

H1: There is a significant association between gender and importance of health insurance

H1: There is a significant difference between gender and source of awareness about health insurance policies.

4 Methodology

4.1 Research Design

This research will be exploratory and descriptive. This primary research focus is multidimensional research to conduct a complete assessment of the problem, including its sources, challenges, and impacts, as part of the study. In this work, a structured approach is used. Factor analysis will be used to determine the relative importance of factors viewed as most crucial to customer perception while purchasing insurance policies. A descriptive and Analytical research methodology will be used to carry out this investigation. By using questionnaires and setting up interviews, information will be acquired from policyholders.

4.2 Sample

The study is descriptive in nature since it seeks to determine the variables that affect decision-making and the elements that change perception. It also aims to research how these factors affect the decision-making process.

This research will be conducted in Telangana state, according to NFHS (National Family Health Survey) report Telangana is the top 5^{th} insured State in the country with 66.4% of total population insured towards health insurance. A Well-structured questionnaire will be used to collect the data from policyholders.

4.3 Data Collection

Sources of Data

Primary Data: A survey based on a structured questionnaire will be prepared for collection of data.

Secondary Data : IRDA , LIC , National and International journals on customer perception , Insurance buying behaviour , research papers , thesis, and various secondary data sources will be used for the study

5. Data Analysis

Along with the above primary and secondary sources, the information will also be gathered, classified, tabulated, and, if necessary, displayed in a graphical form. The analysis will be carried out using statistical methods like percentages, averages, comparisons, and corrections.

The following Statistical tools are used for data analysis

1. Reliability Test,
2. Descriptive Statistics (Frequencies, Mean value, SD value , Skewness, and Kurtosis ranges),
3. Factor Analysis (Principal Component Factor Analysis), PCFA

6. Limitations/ Delimitations of the Study

The Study is limited to Telangana state only.
The study is limited to Health insurance Customers Perception only.

Time frame for Achieving Miles Stones:

Proposed time frame	**Miles stones to be achieved**
Six Months	Review of Literature
Six Months	Data Collection
Three Months	Analysis and Interpretation
Six Months	Compilation

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